



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF 100% SHAREHOLDING IN
M/S. HUANENG SHANDONG RUYI (HONG KONG) ENERGY LTD BY
M/S. JINING CHENGJIAN INVESTMENT CO.LTD FROM M/S. SHANDONG
RUYISCIENCE AND TECHNOLOGY GROUP COMPANY LIMITED**

CASE: 1088/Merger-CCP/20

Commission

Ms. Vadiyya S. Khalil
Chairperson

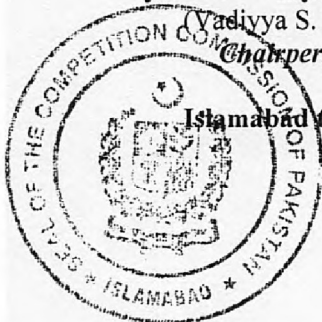
Dr. Shahzad Ansar
Member



ORDER

1. On 27th March 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited ("**Applicant**" or "**Ultimate Target**") whereby M/s. Jining Chengjian Investment Co., LTD ("**Acquirer**") intends to acquire 5 % of the paid-up share capital in M/s. Huaneng Shandong Ruyi (Hong Kong) Energy Ltd ("**Target**") from M/s. Shandong Ruyi Science and Technology Group Company Limited ("**Seller**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 3rd April 2020.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: An investment arm of the local government of the city of Jinjing in eastern China.
 - b. For the Target: Holding company owning 1 % stake in the Ultimate Target.
 - c. For the Ultimate Target: Operating a power station having a gross capacity of MW.
 - d. For the Seller: Textile business.
 - ii. The proposed transaction involves the Acquirer proposing to buy . . % of the fully paid shares of the Target from the Seller.
 - iii. The Ultimate Target belongs to the relevant product market of "**Power Generation – IPP Thermal**" having a geographic market identified as of "**Pakistan**", excluding areas served by K-Electric. Based on its generation capacity and the data available, it has a market share of approximately : % in the relevant product market. Post-transaction, there will be no impact in the relevant market.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. The applicant is also hereby instructed to submit a copy of the agreement to be signed between the undertakings within 30 days of this Order.
4. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.

Vadiyya S. Khalil
Vadiyya S. Khalil
Chairperson



Islamabad the 9th APRIL, 2020.

Dr. Shahzad Ansari
(Dr. Shahzad Ansari)
Member